

March 5,
2019

Economy News

Government takes step to avert grim FATF prospect

Economy | Positive

To comply with requirements of Financial Action Task Force (FATF), the federal government Monday empowered seizing agencies to immediately freeze/seize bank accounts and other moveable and immovable properties of individuals and entities sanctioned by the UN Security Council. The United Nations Security Council (Freezing and Seizure) Order, 2019 was issued in a bid to avert blacklisting of Pakistan in the FATF as the international body has given May 2019 as a deadline for delisting from its grey category. | [Click for more info.](#)

Pakistan Banao Certificates: 865 applications committing \$19.7 million received till February 20

Economy | Neutral

Ministry of Finance (MoF) has sought technical supplementary grant of Rs 180 million to pay a consortium of six banks engaged in marketing of Pakistan Banao Certificates (PBC) to Pakistani diaspora as 865 applications committing \$ 19.7 million has been received as of February 20, 2019. | [Click for more info.](#)

Sindh government, World Bank to launch \$2 billion uplift projects for Karachi

Economy | Positive

Sindh Chief Minister Syed Murad Ali Shah and World Bank high-powered delegation have, in principle, agreed to start \$2 billion projects to make Karachi one of the most developed and beautiful cities of the world. | [Click for more info.](#)

Pakistan's debt is rocketing

Economy | Negative

Pakistan's debt burden is on a fast track, increasing like never before and it is feared that if this trend is not checked, the debt figure may add up during the five years of PTI government equal to the accumulated total borrowing of the last seventy years. Prime Minister Imran Khan has been referring to the figure of Rs30,000 billion debt which had reached this level in June 2018 from Rs6,691 billion in 2007. | [Click for more info.](#)

Oil & Gas

PSO receives Rs60bln from power sector companies

PSO | Positive

State-owned Pakistan State Oil (PSO) on Monday announced it received Rs60 billion from power sector companies, an amount that might give some relief to the country's biggest oil marketing company ensnared with more than Rs300 billion of stuck up receivable. | [Click for more info.](#)

Oil sales drop 28 percent YoY in July-Feb FY19

OMCs | Negative

Sales of oil marketing companies declined by 28 percent year-on-year in the July-February period of FY19, with a 61 percent decline in furnace oil (FO) offtake due to lower consumption in power generation, analysts said on Monday. | [Click for more info.](#)

Rise in transmission, distribution losses: RLNG prices cut for March

SSGC, SNGP | Negative

The oil and gas regulator set RLNG price for consumers of Sui Northern Gas Pipelines Limited (SNGPL) at \$10.3042 per million British thermal units (mmbtu) and for consumers of Sui Southern Gas Company (SSGC) at \$10.2543 per mmbtu for March. For February 2019, the price was \$10.5993/mmbtu for SNGPL and \$10.9062/mmbtu for SSGCL consumers. | [Click for more info.](#)

Pakistan Stock Exchange Overview

	Open	Close	Chg.	%
KSE All	28,852.0	28,981.3	129.3	0.4%
KSE100	39,539.0	39,749.8	210.7	0.5%
KSE30	19,022.0	19,101.0	79.0	0.4%
KMI30	66,233.5	66,427.2	193.7	0.3%

Top Five Gainers

	Open	Close	Chg.	%
SAPL	798.0	837.9	39.9	5.0%
WYETH	1,046.1	1,083.3	37.2	3.6%
INDU	1,244.8	1,263.2	18.4	1.5%
AGTL	454.9	469.3	14.4	3.2%
PSMC	276.4	290.2	13.8	5.0%

Top Five Volume Leaders

	Open	Close	Chg.	Vol.
BOP	12.8	13.8	1.0	90.96
TRG	24.1	24.8	0.6	4.09
PAEL	24.3	24.6	0.3	3.87
PIBTL	10.7	10.8	0.0	3.21
ISL	66.7	69.6	2.8	2.62

Portfolio Investments – Net Position

FIPI	Buy	Sell	Net
F-Ind.	0.42	-0.01	0.41
F-Corp.	2.32	-3.36	-1.04
O/S Pak	1.43	-1.78	-0.35
Net	4.16	-5.14	-0.98
LIPI			
Indv.	32.52	-30.92	1.60
Cos.	2.94	-1.93	1.01
Banks	0.89	-1.26	-0.38
NBFC	0.09	-0.20	-0.11
M-Funds	2.92	-5.42	-2.50
Other	1.23	-1.37	-0.14
Broker	8.36	-7.28	1.08
Insur.	2.64	-2.22	0.42
Net	51.59	-50.61	0.98

Source: NCCPL

Commodity Outlook

	Unit	Close	% chg.
Crude oil	USD/bbl.	56.35	-0.4%
Brent oil	USD/bbl.	64.49	-1.8%
Gold	USD/t oz.	1287.64	0.1%
Silver	USD/t oz.	15.11	0.1%
Coal	USD/ton	83.90	-0.1%
Steel Scrap (LME)	USD/ton	320.00	0.0%
Steel Rebar (LME)	USD/ton	477.00	0.0%
USD/PKR	Interbank	56.59	1.4%

Source: Bloomberg/SBP

News Source: Local / Int'l Newspapers and websites

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Power

Power sector pulls back from the brink as govt clears Rs200bn receivables

IPPs | Positive

The government has cleared Rs200 billion of the circular debt that had swelled to well over Rs1.64 trillion to slightly improve cash flows of the entire energy sector including oil, gas and electricity companies. The largest chunk, of Rs60bn, flowed to Pakistan State Oil (PSO) followed by Rs54bn to all the independent power producers (IPPs) put together and Rs25bn to Pakistan LNG Ltd (PLL) for onward payments to fuel suppliers, confirmed Power Division Joint Secretary Zargham Eshaq Khan. The amount of Rs200bn was raised by a consortium of Islamic banks through a sukuk issue last week. | [Click for more info.](#)

Textile

Nishat Group explores avenues of business with global agriculture leader Rungis Market in Pakistan

NML | Positive

Rungis Market is the global leader in wholesale agricultural markets with annual turnover of c. USD 10 billion & 12,000 employees. Mr. Mansha visited Rungis Market Paris & met top management of Rungis to explore the possibility of a joint venture in Pakistan. Such a project would be hugely beneficial for all stake holders in the agriculture sector in Pakistan, specially the small farmers as a project of this nature will improve efficiency and limit wastage. | [Click for more info.](#)

Miscellaneous

BoP posts Rs7.6bn profit

BOP | Positive

The Bank of Punjab (BoP) posted consolidated profit after tax (PTA) of Rs7.621 billion and earnings per share at Rs2.85 for the year ended Dec 31, 2018. This performance was compared to a loss of Rs3.317bn and loss per share of Rs1.65 in 2017. The board also recommended a cash dividend of 7.5 per cent. | [Click for more info.](#)

Philip Morris (Pakistan) closes Kotri unit

PMPK | Neutral

Philip Morris (Pakistan) Limited (PMPKL), a leading cigarette manufacturer Monday announced closure of one of its manufacturing facility under the strategic revision. | [Click for more info.](#)

Political News

US pulled back India after Pak threat to hit back

Indian Prime Minister Narendra Modi was stopped from attacking Pakistan by the United States and Britain once Pakistan informed them of its clear intention to hit back three times harder if its eastern neighbour violated its territorial integrity. India was also warned by the US that the international powers would not be able to stop the confrontation from progressing into a full-blown nuclear war. | [Click for more info.](#)

Govt announces crackdown on UN terror list groups

The Foreign Office in a statement said that the government had issued the United Nations Security Council (Freezing and Seizure) Order, 2019 in accordance with the provisions of Pakistan's United Nations Security Council (UNSC) Act, 1948. Interpreting the order, Foreign Office Spokesperson Dr Mohammad Faisal said it means that the government has taken over the control of all proscribed outfits operating in the country. | [Click for more info.](#)

World Indices

	Last	Chg.	Chg. %
PAK (KSE-100)	39,749.8	210.72	0.5%
INDIA - SENSEX	36,063.8	196.37	0.6%
HK - Hang Seng	28,959.6	147.42	0.5%
CHINA - Shanghai	3,027.6	33.57	1.1%
Taiwan - TWII	10,349.9	12.12	0.3%
INDONESIA - IDX	6,488.4	-11.46	-0.2%
PHILP - PSEi	7,675.5	33.70	0.4%
KSA - Tadawul	8,565.4	31.15	0.4%
US - Dow 30	25,819.7	-206.67	-0.8%
US - S&P 500	2,792.8	-10.88	-0.4%

Source: Investing.com

Board Meetings

Script	Day	Agenda	Time
CHAS	TUESDAY	Ann. A/c Sep-30, MY'18	11:00 AM
UNIC	TUESDAY	Ann. A/c Dec-31, CY'18	11:00 AM
JSBL	TUESDAY	Ann. A/c Dec-31, CY'18	11:30 AM
PMRS	TUESDAY	Ann. A/c Sep-30, MY'18	11:30 AM
AGP	TUESDAY	Ann. A/c Dec-31, CY'18	2:30 PM
FATIMA	TUESDAY	Ann. A/c Dec-31, CY'18	2:30 PM
SHEL	WEDNESDAY	Ann. A/c Dec-31, CY'18	10:00 AM
BATA	WEDNESDAY	Ann. A/c Dec-31, CY'18	2:30 PM
PMPK	THURSDAY	Ann. A/c Dec-31, CY'18	2:00 PM
SKRS	THURSDAY	Ann. A/c Sep-30, MY'18	3:00 PM
AMBL	FRIDAY	Ann. A/c Dec-31, CY'18	11:00 AM
PRIC	FRIDAY	Ann. A/c Dec-31, CY'18	5:00 PM

Source: PSX Announcement



International News

Asian Stocks Track U.S. Slide; Dollar Edges Higher: Markets Wrap

Asian stocks tracked U.S. shares lower as investors look for details of a possible trade deal between the U.S. and China. The dollar edged higher and Treasury yields held declines. | [Click for more info.](#)

Oil dips amid weak demand growth, but OPEC-led supply cuts support

Oil prices dipped on Monday amid tepid prospects for growth in fuel demand, but OPEC-led efforts to cut output offered some support. | [Click for more info.](#)



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Rating Criteria

Rating - Expected Total Return

Buy - Greater than 10%

Hold - Neither Buy nor Sell

Sell - Less than and equal to -10%

Valuation Methodology

To arrive at our 12-months Price Target, ABA Ali Habib Research uses different valuation methods which include: 1). DCF methodology, 2). Relative valuation methodology, and 3). Asset-based valuation methodology. In this report, our PT is founded on FCF based DCF methodology.

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